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care to Los Angeles County residents
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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

44 October 8, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

October 08, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement or Impacted Hospital Program (IHP). The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC MC – 12822825 \$1,156
- (2) Account Number LAC+USC MC – Various \$4,000
- (3) Account Number H-UCLA MC – Various \$8,500
- (4) Account Number H-UCLA MC – 10356855 \$9,702
- (5) Account Number LAC+USC MC – Various \$14,800

Patients who received medical care at non-County facilities:

- (6) Account Number EMS – 534 \$3,705

(7) Account Number EMS – 533 \$4,522

(8) Account Number EMS – 275 \$7,000

(9) Account Number IHP – 57976953 \$2,400

Total All Accounts: \$55,785

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (6) - (9) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$55,785.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of

medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma and IHP accounts (non-County facilities) will replenish the Los Angeles County Trauma and IHP Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: OCTOBER 8, 2013

Total Gross Charges	\$143,470	Account Number	12822825
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$143,470	Date of Service	1/25/12 – 2/09/12
Compromise Amount Offered	\$1,156	% Of Charges	1 %
Amount to be Written Off	\$142,314	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$143,470 for medical services rendered. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$450	\$450	3 %
LAC+USC Medical Center *	\$143,470	\$1,156	8 %
Other Lien Holders *	\$6,011.25	\$6,011.25	40 %
Patient	-	\$2,382.75	16 %
Total	-	\$15,000	100 %

* Lien holders are receiving 48% of the settlement (8% to LAC+USC Medical Center and 40% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: OCTOBER 8, 2013

Total Gross Charges	\$36,675	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$36,675	Date of Service	Various
Compromise Amount Offered	\$4,000	% Of Charges	11 %
Amount to be Written Off	\$32,675	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$36,675 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$8,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$2,548.25	\$2,548.25	32 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center *	\$36,675	\$4,000	50 %
Other Lien Holders *	\$1,451.75	\$1,451.75	18 %
Patient	-	-	-
Total	-	\$8,000	100 %

* Lien holders are receiving 68% of the settlement (50% to LAC+USC Medical Center and 18% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: OCTOBER 8, 2013

Total Gross Charges	\$49,665	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$49,665	Date of Service	Various
Compromise Amount Offered	\$8,500	% Of Charges	17 %
Amount to be Written Off	\$41,165	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$49,665 for medical services rendered. The patient has ATP and ORSA with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$49,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$19,800	\$9,900	20 %
Lawyer's Cost	\$21,708.42	\$21,708.42	44 %
H-UCLA Medical Center *	\$49,665	\$8,500	18 %
Other Lien Holders *	\$35,590.93	\$4,690.47	9 %
Patient	-	\$4,701.11	9 %
Total	-	\$49,500	100 %

* Lien holders are receiving 27% of the settlement (18% to H-UCLA Medical Center and 9% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 27% of the settlement with the patient receiving the remaining 9%.

This patient is covered by ATP (inpatient) and ORSA (outpatient) and as a condition of the ATP and ORSA agreements; the County may pursue reimbursement from any responsible third party. Based on the information available, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: OCTOBER 8, 2013

Total Gross Charges	\$47,765	Account Number	10356855
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$47,765	Date of Service	11/08/12 – 11/13/12
Compromise Amount Offered	\$9,702.37	% Of Charges	20 %
Amount to be Written Off	\$38,062.63	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$47,765 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$10,000	\$10,000	33 %
Lawyer's Cost	\$192.98	\$192.98	1 %
H-UCLA Medical Center*	\$47,765	\$9,702.37	32 %
Other Lien Holders*	\$1,465.25	\$297.63	1 %
Patient	-	\$9,807.02	33 %
Total	-	\$30,000	100 %

* Lien holders are receiving 33% of the settlement (32% to H-UCLA Medical Center and 1% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: OCTOBER 8, 2013

Total Gross Charges	\$72,782	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$72,782	Date of Service	Various
Compromise Amount Offered	\$14,800	% Of Charges	20 %
Amount to be Written Off	\$57,982	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$72,782 for medical services rendered. The patient has ATP and ORSA with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$60,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$24,000	\$24,000	40 %
Lawyer's Cost	\$4,500	\$4,500	8 %
LAC+USC Medical Center*	\$72,782	\$14,800	24 %
Other Lien Holders*	\$3,389.86	\$1,700	3 %
Patient	-	15,000	25 %
Total	-	\$60,000	100 %

* Lien holders are receiving 27% of the settlement (24% to LAC+USC Medical Center and 3% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 27% of the settlement with the patient receiving the remaining 25%.

This patient is covered by ATP (inpatient) and ORSA (outpatient) and as a condition of the ATP and ORSA agreements; the County may pursue reimbursement from any responsible third party. Based on the information available, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: OCTOBER 8, 2013

Total Charges (Providers)	\$61,230	Account Number	EMS 534
Amount Paid to Provider	\$21,000	Service Type / Date of Service	Inpatient 7/11/06 - 7/15/06
Compromise Amount Offered	\$3,705	% of Payment Recovered	18 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient gross charges of \$61,230 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$21,000. The patient's third-party claim has been settled for \$12,350 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$4,940	\$4,940	40 %
Lawyer cost	\$840	\$840	7 %
Los Angeles County*	\$61,230	\$3,705	30 %
Other lien holders*	\$1,039	\$1,039	8 %
Patient		\$1,826	15 %
Total		\$12,350	100 %

* Lien holders are receiving 38% of the settlement (30% to Los Angeles County and 8% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 18% (\$3,705) of amount paid to Long Beach Memorial Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: DATE: OCTOBER 8, 2013

Total Charges (Providers)	\$174,425	Account Number	EMS 533
Amount Paid to Provider	\$48,715	Service Type / Date of Service	Inpatient & Outpatient Various
Compromise Amount Offered	\$4,522	% of Payment Recovered	9 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient and outpatient gross charges of \$174,425 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$48,715. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$15,000	\$5,000	33 %
Lawyer cost	\$676	\$676	5 %
Los Angeles County*	\$174,425	\$4,522	30 %
Other lien holders*	\$4,265	\$2,399	16 %
Patient		\$2,403	16 %
Total		\$15,000	100 %

* Lien holders are receiving 46% of the settlement (30% to Los Angeles County and 16 % to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 9% (\$4,522) of amount paid to Long Beach Memorial Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: OCTOBER 8, 2013

Total Charges (Providers)	\$44,012	Account Number	EMS 275
Amount Paid to Provider	\$6,425	Service Type / Date of Service	Inpatient 9/22/10
Compromise Amount Offered	\$7,000	% of Payment Recovered	109 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Northridge Hospital Medical Center and incurred total inpatient gross charges of \$44,012 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,425. The patient's third-party claim has been settled for \$40,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$18,000	\$14,320	36 %
Lawyer cost	\$1,802	\$1,802	4 %
Los Angeles County*	\$44,012	\$7,000	18 %
Other lien holders*	\$8,335	\$4,878	12 %
Patient		\$12,000	30 %
Total		\$40,000	100 %

- * Lien holders are receiving 30% of the settlement (18% to Los Angeles County and 12% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 30% of the settlement with the patient receiving the remaining 30%.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 109% (\$7,000) of amount paid to Northridge Hospital Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: OCTOBER 8, 2013

Total Charges (Providers)	\$37,293.53	Account Number	57976953 (Impacted Hospital Program)
Amount Paid to Provider	\$2,350.79	Service Type / Date of Service	Emergency Room Services 5/01/12 – 5/02/12
Compromise Amount Offered	\$2,400	% of Payment Recovered	102 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total gross charges of \$37,293.53 for medical services rendered. The provider has received payment from the Los Angeles County Impacted Hospital Program in the amount of \$2,350.79. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's fees	\$5,000	\$5,000	33 %
Los Angeles County *	\$37,293.53	\$2,400	16 %
Other lien holders *	\$3,397.20	\$2,442.20	17 %
Patient		\$5,157.80	34 %
Total		\$15,000	100 %

* Lien holders are receiving 33% of the settlement (16% to Los Angeles County and 17% to others).

As stated in the Impacted Hospital Program (IHP) agreement, reimbursement to providers is for Emergency Room (ER) and Inpatient Services provided to eligible indigent patients.

Proposed settlement reimburses the IHP fund 102% (\$2,400) of amount paid to St. Francis Medical Center (\$2,350.79).